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SUBJECT 1. Report on State-Operated Factories and
Mines, East China
2. Political Training Classes for Industrial
and Mining Workers

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THIS IS UNEVALUATED INFORMATION 25X1

China, Shanghai

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1. [] the Committee of Finance and Economics sent a group called the All-China Industrial Inspection Team to East China to inspect various state-operated factories and mines. A copy of the Team's report recently received by the East China Military and Administrative Committee is summarized as follows: 25X1

- a. The widespread political awakening in state-operated factories and mines of East China has made it possible to achieve results according to plan.
- b. The productive capacity is about 60% higher than present production. Various leading levels have failed to pay full attention to this factor.
- c. A small number of factories and mines have been meeting urgent requirements of the national defense forces and have not operated solely on a business basis, thus have incurred some losses. The other state-operated factories and mines in East China have all made profits, but these profits have not been remitted to higher authorities at the appropriate time.

25 YEAR RE-REVIEW

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- d. State-operated factories and mines have not paid proper attention to the safety of the workers. In their efforts to raise production above the established quota, many enterprises have lengthened working hours and have increased strains on the workers which are beyond their capacity to bear. This has appreciably lowered the health of the workers. Also, safety installations in factories have fallen below the required standards. Statistics for [] show that 4,184 accidents occurred in state-operated factories and mines of East China. Most of these accidents could have been avoided.
- e. Welfare of the workers has yet to be improved. Most of these enterprises have introduced only superficial improvements and have not approached welfare problems in any systematic and comprehensive fashion.
- f. Serious errors have been prevalent in the operation of factories and mines. The most serious is that most enterprises, although claiming to follow progressive Soviet methods, actually have introduced changes which are either impracticable or which "put the cart before the horse". These changes not only have failed to improve production, but have lowered efficiency. Such errors must be thoroughly eradicated, and no one should follow the progressive Soviet method blindly.

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China, Peiping

- 2. [] Chinese Communist Party authorities in Peiping ordered area, provincial, and municipal Party committees to establish political training classes for staffs and workers of various industrial and mining enterprises throughout China. These classes are designed to elevate the workers' political and class consciousness and to teach them the essentials of Party doctrine.
- 3. The directive ordering establishment of these training classes is as follows:
 - a. The classes will be organized at various industrial plants and mining sites by the organization and propaganda departments of local Party committees, assisted by responsible members of other Party organizations in the area.
 - b. Trainees are not required to be Party members but they must be "enthusiastic" members of staffs or working forces.
 - c. Classes must not be held during working hours.
 - d. Trainees will engage in group discussions and take scheduled examinations. The group instructor will write a report on the performance of each student.
 - e. Trainees will be instructed in the principles of the three-anti and five-anti movements, in Marxism, Leninism and the ideology of MAO Tse-tung. This instruction will teach the trainees that they must eliminate the vestiges of capitalist thought in their industrial and mining enterprises and prepare the way for socialism.
 - f. Each training class will last about three months.
 - g. The best students who possess the qualifications for membership should be recruited into the Party at the termination of the class.

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